



REPORT TO THE CITY COUNCIL BY THE CITY INTERNAL AUDITOR

AUDIT OF THE PARKS AND RECREATION DEPARTMENT (SPAR), BUILDING GROUNDS MAINTENANCE DIVISION

INTERNAL AUDIT OFFICE

505 Travis St.
Suite 450

Shreveport, LA 71101

www.shreveportla.gov

Office: 318-673-7900

Fraud Hotline: 318-222-5698

INTERNAL AUDIT REPORT (IAR) 040120-01

February 28, 2020

Report Highlights

Page(s)

- Need for better documentation about work related accidents and injuries 9
- Obsolete Work Order system 10
- Environmental Protection Agency (EPA) Guideline 13



Leanis L. Steward
City Internal Auditor



The Council
City of Shreveport

Leanis L. Steward, CPA, CIA
City Internal Auditor
P.O. Box 31109
Shreveport, LA 71130-1109

E-Mail Address:
Leanis.Steward@shreveportla.gov
Phone: 318.673.7900
Fax: 318.673.7911

February 28, 2020

Councilman Flurry
Chairman, Shreveport City Council

Dear Councilman Flurry:

Subject: IAR 040120-01 - Audit of Parks and Recreation Department (SPAR), Building
Grounds Maintenance Division

Attached please find the report mentioned above. Management comments are included
in the report.

Sincerely,

Leanis L. Steward, CPA, CIA
City Internal Auditor

dw

EXECUTIVE SUMMARY

AUDIT OF PARKS AND RECREATION DEPARTMENT (SPAR), BUILDING GROUNDS MAINTENANCE DIVISION INTERNAL AUDIT REPORT (IAR) 040120-01

Why We Did This Audit

We have completed an audit of the Parks and Recreation Department (SPAR) – Building Grounds Maintenance. This audit was conducted as one of our regularly scheduled audits included in the Annual Audit Plan developed by the City Internal Auditor. Our objective was to determine if the Parks and Recreation Department was operating efficiently and effectively in accordance with the City standards and procedures as it relates to Building Grounds Maintenance Division functions.

What We Recommended

To improve controls and comply with City ordinances we recommend the Parks and Recreation Department:

- Create formal standardized processes for the warehouse.
- Develop documentation to ensure all safety issues are being followed.
- Establish an integrated work order system.
- Document the conditions at parks across the City.
- Add a compliance program for the new refrigerant EPA guideline.

Performance Audit: Parks and Recreation Department (SPAR), Building Grounds Maintenance Division

What We Found

Shreveport Public Assembly & Recreation (SPAR) mission is to provide the citizens and visitors of Shreveport cultural opportunities and leisure services by creating a vital parks and recreation system offering quality of life services, promoting natural space, enhancing the local economy and improving community service.

We found that operational and administrative controls within the entity were adequate. However, we found areas that the Parks and Recreation Department could improve to enhance efficiency and effectiveness as it relates to the Building and Grounds Maintenance Division.

We found the following issues that should be improved:

- **No standardized processes and regularly scheduled backup system for the warehouse.**
- **Need better documentation on work related injuries and accidents within the Division.**
- **Update obsolete work order system.**
- **Documentation on parks' conditions.**
- **No compliance procedure for new refrigerant EPA guideline.**

INDEX

Executive Summary	1
Index	2
Introduction	3
Recommendation Evaluation Risk Criteria	4
Scope and Methodology.....	5
Findings and Recommendations	6
SPAR – Building Grounds Maintenance Warehouse	7
Safety Issues.....	9
Work Order System.....	10
Conditions at the Parks	11
EPA Guideline.....	13



Introduction

Shreveport Public Assembly & Recreation (SPAR) mission is to provide the citizens and visitors of Shreveport cultural opportunities and leisure services by creating a vital parks and recreation system.

SPAR envisions facilities, programs, services and events that enrich the community through: faithful stewardship of community's natural, cultural and historical resources.

SPAR is responsible for maintenance, appearance and operation of city properties, including:

- Government offices
- Fire stations
- Assembly facilities and community centers
- Parks and Athletic facilities
- Cemeteries and flower beds
- Rights-of-way
- All municipal grounds

SPAR operates many special event facilities including convention and meeting facilities, entertainment venues and stadiums. SPAR is also responsible for programming, scheduling, equipment facilitation, site preparation, set-up, and clean up.

Grounds/Building Maintenance is 1 of 7 divisions in Shreveport Public Assembly and Recreation.

The objective of this performance audit is to determine the following:

- Whether internal control over operations is effective.
- Compliance with laws, regulations, policies, and procedures.



Recommendation Evaluation Risk Criteria

This report contains five findings with five recommendations. The chart below summarizes the recommendations outlined in the report and our evaluation of risk for the recommendations. Each recommendation was assessed a high, medium, or low risk level based on a qualitative assessment of exposure and/or corrective action priority.

Risk Levels	Recommendations
<p>High Risk Represents a significant level of risk exposure to city assets, public safety, or achievement of objectives or mission. Corrective action should have the highest priority.</p>	<p style="text-align: center;">None</p>
<p>Medium Risk Represents a moderate level of risk exposure to the city from extensive operating inefficiencies or high-level non-compliance issues. Corrective action should occur expeditiously.</p>	<ul style="list-style-type: none"> ➤ Develop procedures to monitor and ensure all accidents/injuries are documented and safety training is followed. (Finding: Safety Issues) ➤ Implement protocols and backup system at the Warehouse. (Finding: SPAR-Building Grounds Maintenance Warehouse) ➤ Have procedure to ensure compliance with EPA guideline. (Finding: EPA Guideline)
<p>Low Risk Represents a minimal level of risk exposure to the city from inefficiencies or low-level non-compliance issues. Corrective action should occur as appropriate.</p>	<ul style="list-style-type: none"> ➤ Procedures to document parks conditions. (Finding: Conditions at the Parks) ➤ Develop/Acquire an integrated work order system. (Finding: Work Order System)



Scope and Methodology

The scope of this audit includes Parks and Recreation Department – Building and Grounds Maintenance Division operating activities and performance occurring during the period January 2015 – November 2019. To answer our objectives, we reviewed relevant internal controls and developed audit procedures that included but were not limited to the following:

- Interviewing Building and Grounds maintenance management and staff members
- Reviewing compliance with established or stated policies and procedures
- Reviewing Building and Grounds maintenance operating reports
- Reviewing work order and inventory policies and procedures
- Reviewing safety records by City Risk Specialist
- Reviewing City Ordinances and administrative procedures
- Reviewing sample of service requests completed and verified the work performed

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings, conclusions, and recommendations based on our audit objectives.

The Internal Audit Office expresses appreciation to the management and personnel of the Parks and Recreation Department, Building Grounds Maintenance Division for their cooperation and assistance provided during the audit.





FINDINGS AND RECOMMENDATIONS



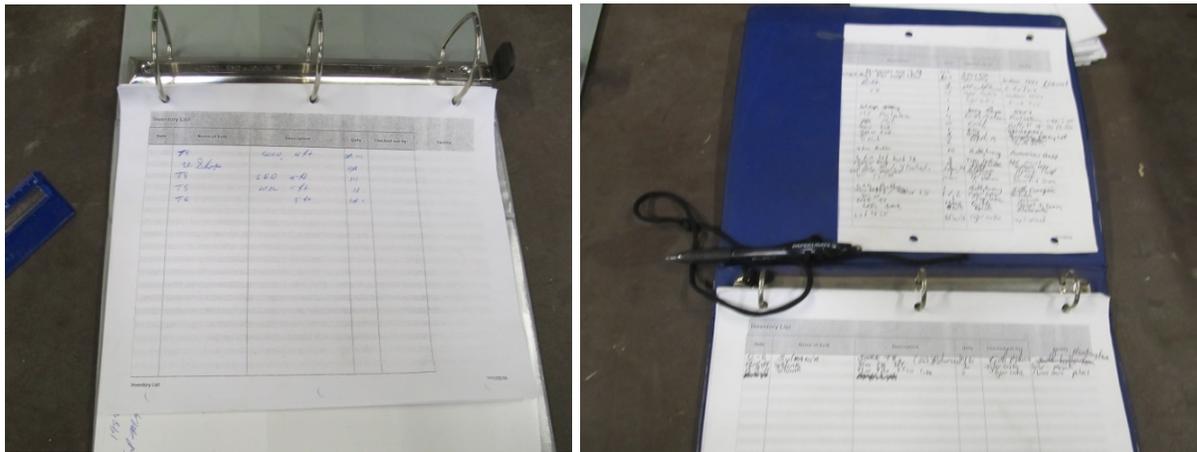
Objective: Whether internal control over operations is effective.

Warehouse



A warehouse should have a formal operation procedure manual for its daily activities. Inventory data should be accurate, reliable, and backed up daily to ensure smooth operation.

This warehouse is still using paper and pen system to record inventory items. A computerized inventory system is currently not available.



Formal day to day operational procedures for the SPAR Warehouse are not available. Inventory items are still being counted and tabulated manually then recorded on sheets of paper by the current Warehouse Supervisor.



IAR 040120-01
December 27, 2019

Recommendation 1: Warehouse Management should establish formal procedures and operation protocols for the warehouse. A new computer should be available to store the inventory data with up to date information and accurate count. Inventory data should be stored off site via flash drive so it could be used in case the computer would crash. Inventory items should be stored in an organized and easy/safe manner to retrieve.

Management Response: SPAR will develop a written procedure for warehouse accounting by the end of the first quarter. The inventory information is up to date and accurate, but the process of using pen and paper is antiquated. SPAR hopes it can work with IT to obtain a software system that will manage the warehouse inventory.

Due Date:





Safety Issues

The City of Shreveport Work Comp Insurance Company (Hammerman and Gainer) paid out several hundred thousands of dollars for Workers' Comp/Injuries claim from SPAR Building and Grounds Maintenance Division for the last three years (June 2016 – June 2019).

One of the most expensive incidents from those claims was from Building and Grounds Division which was an estimated \$64,000 (one single incident with about 13% of total cost of payout claim).

If this possible preventable incident and other smaller cost preventable incidents could be eliminated or reduced by safe work practices and training, then the cost of Workers' Compensation pay out could be reduced substantially.

Management stated there were safety meetings; however, better documentation of verbal communications is needed.

Recommendation 2: We recommend Management to develop procedures to monitor and ensure safety first and safe work practices are being followed by all employees. Written procedures should include the requirement that employees sign the acceptance of handbooks and attendance at meetings. Employees should get more training and reinforcements about safe working practices and "safety first" best practice. Morning stretch and quick exercises during morning meetings would help to loosen up muscles and raise situation/safety/work safety awareness. Stickers and labels about safety and safe work practices should be available in all work vehicles from the Division.

Management Response: The maintenance employees attend a safety meeting each month and are required to sign in at those meetings. We invite experts to teach specific trainings, we send employees to off-site training, and document all accidents and incidents. The one single incident was an unavoidable accident. We will continue to train, to have monthly meetings, and to send employees for additional training. We will look into stickers for the vehicles and tractors.

Due Date:



Work Order System

A robust Work Order System would provide SPAR Building Grounds Maintenance Division effective tracking and reporting of maintenance matters such as cost of labor, cost of equipment and supplies/materials, as well as cost of mileage due to traveling distance to park location. It also would enable the Division Management to respond quickly to the urgency of maintenance problems.

The current Work Order System is an old and obsolete Approach Database created by Lotus Corporation many years ago. It has been in use for over 20 years and it is no longer supported by the present owner (IBM Corporation) in the current version.

This Work Order system is unable to sort or compare the data in its database in depth or provide much useful analysis ability for further investigation of total cost. It is only able to print out the total jobs (Service Requests) for a particular time frame. This system is barely adequate for SPAR Building Grounds Maintenance Division. It is one step above the paper and pen system but it cannot notify management in a timely manner of any critical issue because the data in the current system is not robust and maintenance data analysis is not feasible.

Recommendation 3: We recommend SPAR Building Grounds Maintenance to explore the option of using the new program of CityWorks. Management stated that they have been in touch with City IT personnel recently to discuss the possibility to implement this system into the Division's operation.

Management Response: SPAR has been working with IT for many years about a new work order system and believed we would have implemented it by now. In the last administration we were postponed from implementing CityWorks, while another system (Permits Plus) was investigated and ultimately initiated for Permits and MPC. They were hoping that Permits Plus would work for the entire City. After using Permits Plus for a couple of years, it has been determined that CityWorks is the best program for other City needs and for SPAR. The work order system is a priority for us.

Due Date:



Conditions at the Parks

Parks and Playgrounds in the City play a vital part in offering quality of life services, promoting natural space, and improving community bonding between the citizens. Parks and Playgrounds should be clean and free of debris.

Internal Audit made several trips to several different parks in different locations within the City. The parks were Anderson Island, AC Steere Park on Youree Drive, Duck Pond (East Kings Highway Park), and Riverview in the downtown area. There were some problems with debris, cleanliness, and operations at several locations.

At the Anderson Island Park, the playground items such as swing set and slide and others such as ground area/grass were old, worn out, and haven't been repaired for a long time. The bottom ground area at the playground was overused and not in good condition.



The grass was fairly high and not in optimal condition for playing or sports use by the citizens.





At the Duck Pond/East Kings Highway Park, there was a few problems with worn out playground area and debris from fallen tree limb.



Worn out playground area



Debris from fallen tree limb

We found that playgrounds from several parks need to be improved for safety and playability. Grass was high at some areas. Play equipment could have been in better condition at some parks.

There were some debris and maintenance issues at the parks. Some parks did not have available restrooms.

Beside those problems, the features of the parks were not up to date per SPAR website. For example, Anderson Island Park listed “swimming pool” as a current feature but it was not available for many years.

Recommendation 4: We recommend Management set up a formal system to document the current conditions at the parks to ensure they are optimal and suitable for citizen’s usage. Information about the parks on SPAR website should be accurate and up to date.

Management Response: SPAR will audit its Website to ensure the information is accurate within 180 days. The condition of our playgrounds is documented manually and once a work order system is in place it could be utilized for documenting needs at parks. The grounds division is limited by its resources and is on a 10-day rotation to each park and at certain times of the year that is clearly not often enough. By utilizing more contracted services in 2019, SPAR was able to be more efficient and expect it to be more efficient in 2020. Since the implementation of a forestry crew and added equipment, downed limbs are removed quickly and disposed of timely. Limbs or trees that pose a safety issue are of highest priority and removed as soon as possible after notification is received.

Due Date: Less Than 6 Months



Objective: Compliance with laws, regulations, policies and procedures.

EPA Guideline

Federal entity Environmental Protection Agency (EPA) is establishing a guideline that will ban production and import of all old HCFCs (Hydro chlorofluorocarbons) and buildings management need to have a plan to service and maintain the old R-22 and R142b refrigerant systems and to get ready for a more ozone friendly Freon by January 1, 2030. Service technicians must have EPA Section 608 certification to service any AC equipment containing R-22 after this date.

The City of Shreveport has about 168 buildings across the City with AC systems and the cost to fully comply with this federal guideline would be approximately between \$5 to \$10 million dollars (subject to change due to tariff, cost of production, supply and demand, etc.)

Currently, the City of Shreveport does not have any formal plan or adequate budget for this guideline. Since the current R-22 and R142b would be banned from production completely by 2030, any system that still needs those old Freon after January 1, 2030 would have the cost of service go up substantially due to supply and demand and new certification cost for all technicians to serve those old AC systems.

Recommendation 5: SPAR Building Maintenance Division should have a formal plan to ensure it has enough money, supply, equipment, and trained/certified technicians for this EPA guideline.

Management Response: As SPAR replaces HVAC equipment throughout the City, they do so with equipment that meets the EPA guidelines for refrigerants. SPAR has an inventory of all of our equipment that needs to be upgraded. SPAR has also researched alternatives to replacing equipment, but instead retrofitting the systems to take the new recommended refrigerant. SPAR has employees who are specialist/technician in HVAC systems who will continue to be trained. Replacement is limited by budget constraints, but SPAR continues to work to meet the 2030 deadline.

Due Date:



Prepared by:

A handwritten signature in blue ink that reads "Brian Nguyen". The signature is written in a cursive style and is underlined with a single horizontal stroke.

Brian Nguyen
Staff Auditor

Approved by:

A handwritten signature in blue ink that reads "Leanis L. Steward". The signature is written in a cursive style.

Leanis L. Steward, CPA, CIA
City Internal Auditor

bn:dw

- c: City Council
- Clerk of Council
- Mayor
- SPAR Director
- Building and Grounds Maintenance Managers
- Chief Administrative Officer
- Carr, Riggs & Ingram